

# MORNING REPORT

As at 9:12 AM 4/12/2017

Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

## Top News

### Eyes on US probe, tax bill, jobs data

Aside from the latest US jobs data, and what that means in terms of potential interest rate hikes, investors will closely eye any progress on the Republican tax bill and the special US probe of Russian interference in the 2016 election.

On Saturday the US Senate approved its tax bill, moving Trump closer towards his first legislative accomplishment. The Senate and House of Representatives now will seek to merge their two tax bills and then send the final result to Trump to sign into law.

Investors will eye today's meeting between British Prime Minister Theresa May and European Commission President Jean-Claude Juncker in Brussels. "Consensus is that they will reach agreement on some key roadblocks," according to TD Securities.

### NZ dollar gains as reports of Flynn testimony weigh on greenback

The New Zealand dollar gained in the US on Friday after reports that former Trump adviser Michael Flynn is prepared to testify against the US president about being asked to make contact with Russia in the run-up to last year's presidential elections.

The greenback had gained earlier on Friday on optimism that Senate Republicans have enough votes to push through tax cuts and Senate Republican leader Mitch McConnell said on Sunday he was "very optimistic" the tax legislation would be signed into law.

### NZ shares up, Fonterra gains on \$183m damages, Tourism Holdings and Port of Tauranga rise

Fonterra Shareholders Fund units gained 0.6 percent to \$6.40. Fonterra Cooperative Group has cut its forecast for 2018 earnings per share after an arbitration tribunal in Singapore ruled it must pay 105 million euros (\$183 million) to Danone in the wake of 2013's whey protein recall.

Fonterra had assessed the potential financial implications of the decision and made "a prudent decision to revise its forecast earnings per share range for the 2017/18 financial year to 35 to 45 cents, down from 45 to 55 cents," the company said. The decision wouldn't impact the company's forecast farmgate milk price, currently at \$6.75 per kilogram of milk solids.

Vital Healthcare Property Trust fell 0.7 percent to \$2.185. It has bought Acuity Health Group's Royston hospital for \$54 million. Further it has got Overseas Investment Office approval to acquire two other hospitals in the private operator's portfolio.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,883.445	0.215	▼	0.00%
S&P/NZX 50 Index	8,188.835	1.385	▲	0.02%
S&P/NZX MidCap Index	24,331.855	93.695	▼	0.38%
S&P/NZX SmallCap Index	56,191.181	58.149	▼	0.10%
S&P/NZAX All Index	559.700	16.300	▼	2.83%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,075.52	18.31	▲	0.30%
S&P/ASX 200	5,989.76	19.86	▲	0.33%
ASX Small Ordinaries	2,695.32	3.87	▲	0.14%
S&P/ASX MIDCAP 50	6,694.94	32.14	▲	0.48%
S&P/ASX 20	3,307.46	9.66	▲	0.29%
Foreign Markets Index				
	Last	Change		
S&P 500	2,642.22	5.36	▼	0.20%
Dow Jones	24,231.59	40.76	▼	0.17%
NASDAQ Composite	6,847.59	26.39	▼	0.38%
FTSE 100	7,300.49	26.18	▼	0.36%
ASX All Ordinaries	6,075.52	18.31	▲	0.30%
NIKKEI 225	22,819.03	0.00	▲	0.00%
HANG SENG INDEX	29,074.24	103.11	▼	0.35%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9045	0.0004	▲	0.04%
USD	0.6872	0.0015	▼	0.22%
CNY	4.5560			
EUR	0.5792	0.0002	▲	0.03%
CAD	0.8721	0.0005	▼	0.06%
GBP	0.5110	0.0004	▼	0.08%
JPY	77.5470	0.2770	▲	0.36%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.58			
10-year Swap	3.08			
Commodities Futures				
	Last	Change		
Gold	1,279.70	6.50	▲	0.51%
Silver	16.35	0.03	▼	0.16%
Crude Oil	58.29	0.89	▲	1.55%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

**Do you need to make any changes to your portfolio?**  
[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
 Tel: +64 (9)304 0145